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1971 DEC 22 PM 5:29

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Department of State

TELEGRAM

EXCISE

CN: 2338

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INDICATE:

☐ COLLECT☐ CHARGE TO

DISTRIBUTION

ECON-3

AMB
DCM
POL-2
R/F
CHRON

ACTION: Secstate WASHDC

INFO: USINT ALGIERS
Amembassy BENGHAZI
Amembassy LONDON

DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY

DATE

6/23/81

PORTIONS DENIED AS INDICATED

TRIPOLI 2338

SUBJECT: Nationalization of BP

REF: Benghazi 494 (NOTAL)

SUMMARY: BP plans to have all of its expatriate workers out of Libya by December 23. This abrupt departure, coupled with Libyan inexperience but determination to succeed in oil field operation, and mixed bag of technicians who will be working former BP concession, makes for a potentially unstable situation. END SUMMARY.

1. [REDACTED] BP
[REDACTED] plans to get all company's UK workers out of the country by December 23. [REDACTED]

Evacuation of BP personnel

DRAFTED BY:

ECON:JRCountryman

DRAFTING DATE

12/22/71

TEL. EXT.

APPROVED BY:

DCM:HGJosif

CLEARANCES:

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FORM FS-413
4-68

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will be via chartered passenger aircraft from Benghazi.

Air freighters will remove household effects at the same time. [REDACTED] BP and HMG will take

strong line on nationalization in the form of at least a stiff official letter of protest to if not sanctions against LARG. In addition, BP will attempt legal seizure of any Libyan oil shipments from former BP acreage in excess of Bunker Hunt quota.

2. On technical level, things not going well at former BP Sarir field. [REDACTED] Production now down to about half pre-nationalization daily output of 400,000 barrels. One half of field's transformer capacity has been burned out due to mistakes of ill-trained Libyans.

[REDACTED] Further source of concern is that technicians supplied by Bunker Hunt are not regular Hunt employees but merely random collection of Louisiana and Texas oil field workers who are beginning not to like what they have gotten themselves into, particularly long hours and inadequate provision for time off. [REDACTED]

3.

4. COMMENT: Appears from here that AGEK is off to a shaky start. Personnel working Sarir field will, indeed, represent a mixed bag: thin red line of qualified Libyans, many more of their countrymen who will be performing over their heads, potentially disgruntled Bunker Hunt recruits and perhaps Algerians from SONATRACH (Algiers 1940).

GP-4.

PALMER

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CONTINUATION SHEET

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